India's Rupee Overvalued, U.S. Believes

United Press International

Under Secretary of State Thomas Mann said yesterday that U.S. officials felt that the currency of India was "probably overvalued."

Mann said the officials felt that either "devaluation or steps short of that" might be necessary.

The Under Secretary said these were the conclusions drawn by an American delegation that recently returned from talks with Indian officials. The U.S. delegation was headed by David Bell, administrator of the Agency for International Development.

The Americans, he said, also felt that more of India's resources — such as raw materials and credits — should be directed to the private sector of the economy. He said the officials believed this would lead to greater economic growth.

Mann summarized the findings during an appearance before the House Agriculture Committee.